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NO CHANGE in Class.

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DDA Memo, 4 Apr 77

Auth: DDA RIC, 77/1763

Date: 15 MAR 1978

25X1

1. UNITED KINGDOM: General election forecast for late 1949--  
US Embassy London predicts that the UK Labor Government  
will call the next general election (which must be held by July  
1950) sometime following May 1949, possibly between June and  
December when the Embassy believes that domestic economic  
conditions will be most favorable to Labor. Leaders of both  
Parties believe that, while Labor has lost popular support,  
there is no strong trend to the Conservatives. The Embassy  
considers that an election today would return a Labor majority  
but adds that the Conservative Party machine is now in excel-  
lent condition.

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2. FRANCE: Views on Moscow talks -- US Ambassador Caffery  
reports that officials in the French Foreign Office are currently  
confident that the Moscow talks will result in an accord, but  
doubt that an agreement for four-power control of Germany will  
follow. According to Caffery, the French Foreign Office believes  
that the USSR would be satisfied to reach an agreement on the  
basis of a Germany divided in two parts. The Foreign Office,  
therefore, considers that any future four-power conference should  
not be allowed to break down if no agreement is in sight but that  
the western powers should instead try to bring about an agreement  
for maintaining orderly relations between eastern and western  
Germany until an arrangement embracing all Germany appears  
feasible. The Foreign Office does not consider that such a limited  
agreement would exclude the western powers from Berlin, but  
believes that they would remain in the city with powers restricted  
to their own sectors and without any instrument of four-power  
control.

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#### NEAR EAST-AFRICA

3. PALESTINE: US favors return of some Arab refugees -- The  
Department of State has informed the US delegation to the UN  
of its belief that a substantial number of Arab refugees could  
State Department review completed



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be permitted to return gradually to their homes, under the supervision of the UN Mediator, without prejudicing the maintenance of Israel's internal security. Although the Department considers that an over-all solution of the refugee problem must be sought as an intrinsic part of a final settlement of the entire Palestine issue, it believes that the increasingly critical nature of the refugee situation makes some prior repatriation of refugees essential. The Department adds that Israeli assistance in alleviating the refugee situation would facilitate a peaceful solution of the Palestine problem as a whole, while Jewish refusal to accept any refugees might adversely affect "the 700,000 Jews permanently residing in the Arab states."

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